

ST 05-0127-GIL 12/16/2005 HOTEL OPERATORS' TAX

The Hotel Operators' Occupation Tax is imposed upon hotel operators engaged in the business. Hotel operators are permitted to ask guests renting rooms to pay a corresponding reimbursement for the tax. 86 Ill. Adm. Code 480.101. (This is a GIL.)

December 16, 2005

Dear Xxxxx:

This letter is in response to your letter dated September 1, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

ABC is an exempt organization with the identification number, #. National speakers are brought in monthly to provide educational programs, and they stay at local hotels. I would appreciate a private letter ruling as to whether ABC should be paying Retailers' Occupation Tax and the Hotel/Motel Tax on their lodging.

DEPARTMENT'S RESPONSE

As you know, organizations that qualify as exclusively religious, charitable, or educational can apply to the Illinois Department of Revenue to obtain tax exemption identification numbers ("E" numbers). 86 Ill. Adm. Code 130.2007. Please note that an E-number exempts purchases only under the sales taxes (Retailers' Occupation Tax Act, Use Tax Act, Service Occupation Tax Act, Service Use Tax Act, and local occupation and use taxes). Exemptions involving other taxes are governed by the provisions of those other tax acts.

The Hotel Operators' Occupation Tax Act does not include any provision for the exemption of exempt organizations. Therefore, hotel operators renting rooms to organizations possessing sales tax exemption numbers are not exempt from paying the tax on room rentals to such entities and the

above mentioned tax exemption identification numbers cannot be used to avoid this tax. See 86 Ill. Adm. Code 480.101(b)(4).

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote
Associate Counsel

MPM:msk